



OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-I, III & V),
मूल्यनिरूपण मुख्य(आयात)APPRAISING MAIN (IMPORT),
जवाहरलाल नेहरू सीमाशुल्क भवन, न्हावा शेवा, ता. उरण,
JAWAHAR LAL NEHRU CUSTOM HOUSE, NHAVA- SHEVA, TAL-URAN,
जिला रायगड /RAIGAD-400707, महाराष्ट्र MAHARASHTRA
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F/No. – S/22-Gen-04/2017-18/AM(I)

Date: - 27.08.2019

PUBLIC NOTICE NO. - 74/2019

Attention is invited towards Public Notice no.42/2010 dated 07-04-2010 issued by the Chief Commissioner's Office Mumbai Zone-II regarding information to be furnished by Importers/Exporters for assessment purposes.

2. One of the essential requirements for ensuring correct classification/assessment of goods is the quality of data furnished by the importers. The declared description should be accurate, specific and complete not only for levying correct duty on imports but also for the purpose of uniform import data base for statistical and post clearance audit purposes.

3. It has, however, been felt that the quality of data furnished by the trade has remained quite poor despite the fact that this issue has been emphasized time and again by the Customs administration. The basic information like description, brand, grade, model, specification, unit quantity code, weight, country of origin etc. are not declared properly, even though such information is required to be filled specifically in the bill of entry.

4. It has been observed that, in a number of cases, the data quality is inadequate in the above said terms which is hampering the process of assessment and audit. Some such illustrative cases are given below:

(i) It has been observed that the apparatus based on X-Rays or Alpha, Gama or Beta radiations are being imported without the declaration of the end use to clarify whether the goods are imported for medical or industrial purposes which is necessary to ascertain the applicable IGST rate (i.e. Apparatus used for medical purpose attracts IGST @ 12% under schedule II222; however, if the same is used for industrial purposes it attracts IGST @ 18% under schedule III413A). This is leading to possible cases of revenue evasion. These vague descriptions make it difficult to decipher whether the apparatus is used for medical purpose or industrial purpose.

(ii) Made up articles of CTH 6304 are chargeable to IGST @ 5% if sales value is below Rs.1000/-(Schedule I 224). However, the unit price mentioned in most of these cases is above Rs.1000 and the same is on either 'KG or MT' basis which is the UQC whereas the IGST claimed is on the basis of price of individual article which is nowhere mentioned in the BE. The retail sales price needs to be verified before extending the benefit of 5% or else these goods would be leviable to 12% under Sch. II 171. Moreover, past import data has been verified and it is observed that UQC has been declared in a

very non uniform manner viz. in Mtr., Nos., Sqm., Doz., Set, Grs, Prs, Roll, Kg, Unit and Sets.

(iii) Mis-classification of “Cartons Boxes & Cases of corrugated paper or paper board” under Sr.No.122 schedule II of IGST Notification 01/2017-IT(R) dated 28.06.2017. In this regard, past import data is scrutinized and it is observed that none of the bills of entry described the articles as “non-corrugated cartons, boxes and cases”. The description found in the Bills of Entry are ‘Cartons/Box/Empty Cartons/Gift Box/Outer Cartons/Inner Gift Box/Packing Components/Spear packing material and cardboard box/Store Box/Empty and foldable cardboard box/Take away box plates’ without mentioning the term ‘corrugated’ or ‘non-corrugated’. These vague descriptions make it difficult to decipher whether items are corrugated or non-corrugated. This is leading to possible case of revenue evasion.

(iv) It is observed that various importers are evading ADD on import of ‘Ceramic tableware and kitchenware’ from ‘CHINA PR’. As per applicable notification, ADD is applicable on “Kgs”. However, majority of the importers declared the UQC in PCS/NOS/DOZ/SET. In this scenario, it is difficult to ascertain in post audit whether the correct duty was discharged.

5. Hence, all the officers posted at Groups, docks and RMS are requested to ensure the quality of data furnished by the trade as per the Public Notice No.-42/2010 as amended vide P. N. No. - 81/2010, 124/2010, 75/2011, 03/2011 in order to enable the Audit Commissionerate to carry out audit functions efficaciously, specifically in cases where there are specific requirements/criteria (as sampled above) impacting the duty rate. Docks/RMS officers are instructed to insert comprehensive comments after examining the goods or while giving OOC. All importers/CHA are directed to ensure that accurate, specific and complete description is being given for the correct classification, valuation and assessment of goods.

6. This public notice should be considered as Standing Order for the officers and staff of JNCH.

7. Difficulties faced, if any, may please be brought to the notice of the undersigned.

This issues with the approval of Principal Chief Commissioner, Mumbai Zone – II.

Sd/-

(SUNIL KUMAR MALL)
COMMISSIONER OF CUSTOMS
APPRAISING MAIN (IMP), JNCH

Copy to: -

- 1) The Chief Commissioner of Customs, Mumbai Zone-II
- 2) The Commissioner of Customs, NS- I, II, III & V
- 3) The Bombay Custom House Agents Association
- 4) Notice Board